

## Message Text

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71

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SUBJECT: PRIVATE TRADE OPPORTUNITY: ALPARGATAS SAIC

1. 357 ARGENTINA
2. 01 BUENOS AIRES
3. P0014
4. 090573
5. 35595
6. 23
7. 27
8. ALPARGATAS SAIC
9. M,D
10. OLAVARRIA 1256, BUENOS AIRES
11. ARGENTINA
12. HIGHLY-AUTOMATED SHOE-MAKING MACHINERY FOR THE MANUFACTURE OF MEN'S, WOMEN S, AND CHILDREN'S LEATHER FOOTWEAR WITH CEMENTED LEATHER OR INJECTED PLASTIC SOLES. ALPARAGATAS PLANS TO ERECT PLANT WITH INITIAL DAILY CAPACITY OF 10,400 PAIRS, IN TWO SHIFTS, WITH POSSIBILITY OF EVENTUAL INCREASE TO 20,000 PAIRS, WITH PRODUCT RANGE FROM CHILDREN'S FOOTWEAR TO WOMEN'S UNLINED FALSE MOCCASINS TO HIGHER-PRICED MEN'S SHOES. 70 PERCENT WILL HAVE CEMENTED LEATHER SOLES, 30 PERCENT INJECTED THERMOPLASTIC MATERIAL, EITHER PVC OR POLYURETHANE. SPECIFIC ITEMS OF INTEREST FOLLOW:
  - 1) 25 LEATHER-CUTTING MACHINES, SINGLE-ARM; 2) ONE CLOTH-CUTTING MACHINE FOR CLOTH UPPERS, LININGS, ETC;
  - 3) 12 SKIVING MACHINES; 4) THREE MACHINES CAPABLE OF

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SPLITTING AND SKIVING IN SAME OPERATION; 5) SEWING MACHI-

NES TO EQUIP TWO LINES WITH TOTAL OF 60 POSITIONS, EACH HAVING CAPACITY OF 2,500 PIECES PER SHIFT, EACH MACHINE HAVING AUTOMATIC THREAD CUTTING, AUTOMATIC NEEDLE POSITIONING, AUTOMATIC RELEASE FEATURES; AND, IF POSSIBLE, AUTOMATIC STITCHGUIDING FEATURE, INCLUDING NUMERICAL CONTROL EQUIPMENT; 6) EQUIPMENT FOR FOUR LASTING LINES EACH CAPABLE OF FINISHING 1,300 PAIRS PER SHIFT, TO INCLUDE AN AUTOMATIC ROUGHING PROCESS AND EQUIPMENT FOR DIRECT INJECTION MOLDING OF THERMOPLASTIC SOLES; 7) AUTOMATIC FINISHING PROCESS FOR LEATHER FOOTWEAR, CAPABLE OF HANDLING SPRAYING, PAINTING, POLISHING, ETC; 8) EQUIPMENT FOR PRE-FINISHING LEATHER SOLES, TO INCLUDE CUTTING, SIZING, ROUGHING, ATTACHMENT OF WELT AND HEEL, AND POLISHING PRIOR TO ATTACHMENT TO UPPERS; 9) MACHINERY FOR MANUFACTURE OF SOLES FOR RECONSTITUTED LEATHER, INCLUDING MACHINERY TO SPLIT SOLE AND INJECT THERMOPLASTIC REINFORCEMENT IN SAME OPERATION.

ALPARATAS ESTIMATES TOTAL PURCHASES OF EQUIPMENT FOR PLANT WILL BE \$800,000 TO \$1,000,000. PRINCIPAL CRITERIA FOR SELECTION OF INDIVIDUAL MACHINERY AND SYSTEMS ARE DEGREE OF AUTOMATION, RELIABILITY, FLEXIBILITY, SNF SERVICE. PRICE IS SECONDARY CONSIDERATION. FIRM STRESSES IT INTENDS TO SELECT MOST ADVANCED EQUIPMENT AVAILABLE IN EACH CASE, WITH HIGHEST POSSIBLE PRODUCTIVITY, AND HAS ALREADY MADE CLOSE SURVEY OF COMPETING SOURCES. OPERATORS WILL BE SENT TO MANUFACTURER FOR TRAINING WHERE APPROPRIATE. ORDERS EXPECTED TO BE PLACED BEFORE END OF FIRMST QUARTER OF 1974, WITH DELIVERY TO PORT OF EMBARKATION EXPECTED WITHIN SIX TO NINE MONTHS OF ORDER.

ALPARGATAS IS LARGE, WELL-MANAGED CORPORATION PRODUCING TEXTILES, LEATHER AND CANVAS FOOTWEAR, WORK CLOTHES, ROPE, ETC. TOTAL ANNUAL SALES IN 1972 WERE APPROXIMATELY \$55 MILLION DOLLARS.

13. ALPARGATAS HAS STRESSED TO EMBASSY THAT IT HAS ALREADY COMPLETED CAREFUL CONSIDERATION OF COMPETING EUROPEAN SUPPLIERS FOR THIS EQUIPMENT, PRINCIPALLY IN ITALY AND GERMANY. HOWEVER, US SUPPLIERS MAY BE ABLE TO OFFER SUPERIOR TECHNOLOGY IN SOME INSTANCES

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IF MADE AWARE OF MAGNITUDE OF ALPARGATAS PRODUCTION PLANS SUCCESSFUL COMPETITION BY US MANUFACTURERS TO SUPPLY THIS PLANT WOULD BE HIGHLY SIGNIFICANT AT TIME WHEN ARGENTINE SHOE INDUSTRY FACES NEED FOR MAJOR REEQUIPMENT PROGRAM TO COPE WITH INCREASING DOMESTIC AND FOREIGN DEMAND. US EQUIPMENT SUPPLIERS ONCE DOMINATED THIS MARKET, BUT APPEAR TO HAVE LOST TOUCH WITH DEVELOPMENTS. EMBASSY THEREFORE URGES THAT

MAXIMUM PUBLICITY BE GIVEN THIS PTO.

14. GEORGE A. GOWEN III.

LODGE

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